

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
NATURAL ENERGY UTILITY CORPORATION)	2010-00218

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for Natural Energy Utility Corporation ("Natural Energy") and provided for their further adjustment in accordance with Natural Energy's Gas Cost Adjustment ("GCA") clause.¹

On June 1, 2010, Natural Energy filed its proposed GCA to be effective July 1, 2010.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Natural Energy's notice sets out an Expected Gas Cost ("EGC") of \$5.1245 per Mcf, which is a decrease of \$.4158 per Mcf from the previous EGC of \$5.5403 per Mcf.

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment ("RA").

¹ Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company (Ky. PSC Dec. 18, 1991).

4. Natural Energy's notice sets out a current quarter Actual Adjustment ("AA") of \$.5532 per Mcf. In calculating its current quarter AA, Natural Energy used the GCA rate of \$4.5651 approved in Case No. 2009-00481² for rates effective January 1, 2010, instead of the EGC of \$5.5697 per Mcf approved in that same case for its "EGC in Effect for Month". Correcting for this produces a current quarter AA of \$.1496 per Mcf and a total AA of (\$.1603) per Mcf, which is an increase of \$.8439 per Mcf from the previous total AA of (\$1.0042) per Mcf.

5. Natural Energy's GCA is \$4.9642 per Mcf, which is an increase of \$.4281 per Mcf from the previous GCA of \$4.5361 per Mcf.

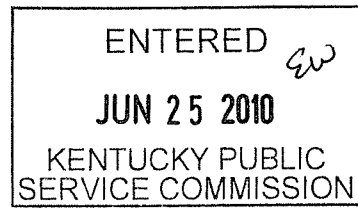
6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Natural Energy on and after July 1, 2010.

IT IS THEREFORE ORDERED that:

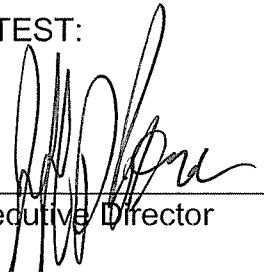
1. The rates proposed by Natural Energy are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2010.
3. Within 20 days of the date of this Order, Natural Energy shall file its revised tariff sheets with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

² Case No. 2009-00481, Purchased Gas Adjustment Filing of Natural Energy Utility Corporation (Ky. PSC Dec. 23, 2009).

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00218 DATED **JUN 25 2010**

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$4.9642	\$9.2042

Minimum Bill

The minimum bill shall be \$9.2042.

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102